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State Department review completed

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1. USSR considers talks with Turkey not ended--US Ambassador Wilson has been informed by the British Ambassador that the Soviet reply to the latest British note on the Straits states that the USSR does not consider discussions with Turkey ended and does consider it inopportune to convoke an international conference.
2. UK policy on aircraft sales to USSR--US Embassy London has learned that the Soviets have not sought to purchase British aircraft, but, if they did, the British would attempt to obtain an air transport agreement with the USSR before agreeing to sell. The British believe that their refusal to deal with the USSR would reduce the chances for eventual Soviet participation in PICAQ.
3. British interests conclude oil arrangement with Chinese--The State Department has learned that the Anglo-Iranian Oil Company recently contracted with the Chinese Petroleum Corporation for the delivery of 300,000 tons of crude oil to the Takao refinery on Formosa. The British Embassy in Washington asserts that the Chinese purchased on competitive bids, but according to the Arabian-American Oil Company, the second bidder, the contract had been previously closed with Anglo-Iranian. As the Anglo-Iranian will supervise the rehabilitation of the Takao refinery, the Department has queried US Embassy Nanking whether, in addition to the supply arrangement, Anglo-Iranian has secured marketing rights in China or participation in the Kansu production development.
4. Icelandic Communists confuse air traffic control--US Legation Reykjavik reports that on 31 October the Reykjavik airport gave six hours' notice that it was assuming traffic control over all aircraft in that area of the North Atlantic. Icelandic Prime Minister Thors was "taken by surprise" at this step which the Legation interprets as "tactics of confusion" on the part of the Communist aviation authorities. US personnel at Keflavik will continue their traffic control pending clarification.
5. US reassures Netherlands on Rhine control--The State Department has instructed US Embassy The Hague to advise the Netherlands Government that if a power not now represented in the Rhine Commission should

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attempt (on the precedent of Western participation in the Danube statute), to obtain participation in the Rhine statute, the US would "be inclined to" take the following position: while a new statute for the Danube is required, the Rhine statute remains in force and is satisfactory.

EUROPE

6. **YUGOSLAVIA: Decision on reopening of USIS further delayed**--The Yugoslav Foreign Office has notified Embassy Belgrade that it "regrets that the Embassy's note (accepting Yugoslav conditions for the resumption of USIS operations) failed to emphasize that USIS and the reading room would be run strictly in accordance with the three listed points." The Foreign Office indicates its readiness to reconsider the case, but points out that USIS cannot be reopened on 1 November, the date fixed by the Embassy, since "reopening can only be effectuated by a decision of Yugoslav authorities who will also fix a date for reopening"

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7. **BULGARIA: Communists promise to eradicate Opposition**--US Representative Barnes reports that Communist leader Dimitrov in a post-election speech in effect promised to "eradicate the nefarious Opposition" and made it clear that the Communist Party will "refuse any sort of co-operation" with Opposition representatives in the National Assembly.

Opposition prepares election protest--Barnes also reports that Opposition leaders are preparing a detailed report on election "terror and irregularities." Barnes states that Opposition leaders are "more disturbed" by post-election conditions than they were by pre-electoral intimidation. Eight Opposition supporters in rural areas have allegedly been murdered and many are fleeing to Sofia for protection.

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